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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
SEPTEMBER 30, 2010**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/10/11

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2010**

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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTAL INFORMATION**  
**SEPTEMBER 30, 2010**

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
Louisiana Childcare Reimbursement Program, Inc.  
P. O. Box 669  
Livingston, Louisiana 70754

We have audited the accompanying statement of financial position of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. (a non-profit organization) as of September 30, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. as of September 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2011, on our consideration of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of functional expenses and other schedules as listed in the table of contents under supplemental information are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
June 28, 2011

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## **FINANCIAL STATEMENTS**

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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2010**

|   | <u>Administrative</u> | <u>General</u> | <u>Eliminations</u> | <u>Total</u> |
|---|-----------------------|----------------|---------------------|--------------|
| <u>ASSETS</u>                               |                       |                |                     |              |
| Current Assets                              |                       |                |                     |              |
| Cash and cash equivalents                   | \$ 9,333.59           | \$ 54.27       | \$ -                | \$ 9,387.86  |
| Due from Department of Education            | 43,006.36             | -              | -                   | 43,006.36    |
| Due from General Fund                       | 6,308.98              | -              | (6,308.98)          | -            |
|   | <hr/>                 |                |                     |              |
| Total Current Assets/Total Assets           | 58,648.93             | 54.27          | (6,308.98)          | 52,394.22    |
| <hr/>                                       |                       |                |                     |              |
| <u>LIABILITIES AND NET ASSETS</u>           |                       |                |                     |              |
| Current Liabilities                         |                       |                |                     |              |
| Due to providers                            | 33,242.18             | -              | -                   | 33,242.18    |
| Notes payable - line of credit              | -                     | 783.95         | -                   | 783.95       |
| Due to Administrative Fund                  | -                     | 6,308.98       | (6,308.98)          | -            |
|   | <hr/>                 |                |                     |              |
| Total Current Liabilities/Total Liabilities | 33,242.18             | 7,092.93       | (6,308.98)          | 34,026.13    |
| Net Assets (Deficit)                        |                       |                |                     |              |
| Unrestricted net assets                     |                       |                |                     |              |
| Operating                                   | 25,406.75             | (7,038.66)     | -                   | 18,368.09    |
|   | <hr/>                 |                |                     |              |
| Total Liabilites and Net Assets (Deficit)   | 58,648.93             | 54.27          | (6,308.98)          | 52,394.22    |

See Accompanying Notes and Independent Auditors' Report

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2010**

|   | <u>Administrative</u> | <u>General</u> | <u>Total</u>  |
|---|-----------------------|----------------|---------------|
| <b><u>UNRESTRICTED NET ASSETS</u></b>               |                       |                |               |
| <b>SUPPORT AND OTHER GAINS</b>                      |                       |                |               |
| Administrative reimbursements                       | \$ 113,918.00         | \$ -           | \$ 113,918.00 |
| Contributions                                       | -                     | 3,832.51       | 3,832.51      |
|   | <hr/>                 | <hr/>          | <hr/>         |
| Total Support and Other Gains                       | 113,918.00            | 3,832.51       | 117,750.51    |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS</b>        |                       |                |               |
| Restrictions satisfied by payments                  | 447,927.04            | -              | 447,927.04    |
|   | <hr/>                 | <hr/>          | <hr/>         |
| Total Support, Other Gains<br>and Reclassifications | 561,845.04            | 3,832.51       | 565,677.55    |
| <b>EXPENSES</b>                                     |                       |                |               |
| Program services                                    | 447,927.04            | -              | 447,927.04    |
| Supporting services                                 | 114,202.64            | 1,227.47       | 115,430.11    |
|   | <hr/>                 | <hr/>          | <hr/>         |
| Total Expenses                                      | 562,129.68            | 1,227.47       | 563,357.15    |
|   | <hr/>                 | <hr/>          | <hr/>         |
| Increase (Decrease) In Unrestricted Net Assets      | (284.64)              | 2,605.04       | 2,320.40      |
| <b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>     |                       |                |               |
| Support from meal reimbursements                    | 439,014.91            | -              | 439,014.91    |
| Support for expansion efforts                       | 8,912.13              | -              | 8,912.13      |
| Net assets released from restrictions:              |                       |                |               |
| Restrictions satisfied by payments                  | (447,927.04)          | -              | (447,927.04)  |
|   | <hr/>                 | <hr/>          | <hr/>         |
| Increase In Temporarily Restricted Net Assets       | -                     | -              | -             |
|   | <hr/>                 | <hr/>          | <hr/>         |
| <b>CHANGE IN NET ASSETS</b>                         | (284.64)              | 2,605.04       | 2,320.40      |
| <b>NET ASSETS (DEFICIT), BEGINNING</b>              | 25,691.39             | (9,643.70)     | 16,047.69     |
|   | <hr/>                 | <hr/>          | <hr/>         |
| <b>NET ASSETS (DEFICIT), ENDING</b>                 | 25,406.75             | (7,038.66)     | 18,368.09     |
|   | <hr/>                 | <hr/>          | <hr/>         |

See Accompanying Notes and Independent Auditors' Report



**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                 |
|---|-----------------|
| Cash received from administrative reimbursements    | \$ 113,789.82   |
| Cash received from program reimbursements           | 450,960.62      |
| Cash received from contributions/other              | 3,832.51        |
| Cash paid to or on behalf of employees for services | (90,514.08)     |
| Cash paid to providers for program reimbursements   | (450,960.62)    |
| Cash paid to suppliers for goods and services       | (24,916.03)     |
| Net Cash Provided by Operating Activities           | <u>2,192.22</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

-

**CASH FLOWS FROM FINANCING ACTIVITIES**

|  |                 |
|--|-----------------|
| Cash received from line of credit      | 123,216.00      |
| Payments on line of credit             | (124,027.41)    |
| Net Cash Used for Financing Activities | <u>(811.41)</u> |

**INCREASE IN CASH AND CASH EQUIVALENTS**

1,380.81

**CASH AND CASH EQUIVALENTS, BEGINNING**

8,007.05

**CASH AND CASH EQUIVALENTS, ENDING**

9,387.86

**RECONCILIATION OF CHANGE IN NET ASSETS TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

|                      |          |
|----------------------|----------|
| Change in net assets | 2,320.40 |
|----------------------|----------|

Adjustments to Reconcile Change in Net Assets  
to Net Cash Provided by Operating Activities:

(Increase) decrease in assets:

Receivables

2,905.40

Increase (decrease) in liabilities:

Due to providers

(3,033.58)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

2,192.22

See Accompanying Notes and Independent Auditors' Report

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## **NOTES TO FINANCIAL STATEMENTS**

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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. (hereafter referred to as the Organization) was established to provide supervised provisions of meals. It serves an average of 108 homes per month to primarily low-income, disabled, elderly or other disadvantaged residents of Livingston and surrounding parishes. It engages in the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226.

It operates on a fiscal year ending on September 30<sup>th</sup>, and its significant accounting policies are as follows:

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash and demand deposits. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Receivables**

Accounts receivable are stated at net realizable value. The Organization maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers/vendors to make required payments. Because collection is expected at 100%, an allowance for doubtful accounts has not been recorded.

**Inventory**

Inventory includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

**Property and Equipment**

Property and equipment purchased by the Organization is recorded at cost. They are depreciated using the straight-line method over the estimated useful lives of the assets. Equipment with an original cost of \$1,000 or greater is generally capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

**Support and Expenses**

The Organization reports administrative and program reimbursements on the accrual basis of accounting. The amounts due to providers are also reported on the accrual basis of accounting. A donor restriction applies to the program reimbursement, and the amount is shown as temporarily restricted net assets. When the donor restriction expires, that is, when the

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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stipulated restriction ends by payments to the providers, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted reimbursements whose restrictions are met in the same reporting period are reported as unrestricted support.

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Advertising costs are expenses as incurred. There was \$650 in advertising expenses paid during the year.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Financial Statement Presentation**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117 *"Financial Statement of Not-For-Profit Organization."* Under SFAS No. 117, the Organization is required to report information regarding its net assets and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by this new statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required.

**Income Taxes**

The Organization is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

|                 |                    |
|-----------------|--------------------|
| Demand deposits | \$ <u>9,387.86</u> |
|-----------------|--------------------|

Of this amount, \$9,333.59 is maintained in the administrative and provider accounts to be utilized for the family day care home program. The remaining funds are held by the General Fund and can be utilized at the discretion of management.

**NOTE 3 – RECEIVABLES**

Receivables are stated at the amount the Organization expects to collect. Management considers all receivables to be collectible at September 30, 2010.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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Receivables at year-end consist of the following:

|                                  |                     |
|----------------------------------|---------------------|
| Due from Department of Education | \$ <u>43,006.36</u> |
|----------------------------------|---------------------|

This represents the September 2010 reimbursement claim received in the subsequent month.

**NOTE 4 – ACCOUNTS AND OTHER PAYABLES**

Payables at year-end include the following:

|                |                      |
|----------------|----------------------|
| Providers      | \$ 33,242.18         |
| Line of credit | <u>783.95</u>        |
| <br>Total      | <br><u>34,026.13</u> |

The Organization has a line of credit with Hancock Bank utilized each month to cover administrative expenses.

**NOTE 5 – RESTRICTIONS ON NET ASSETS**

Substantially all of the restrictions on net assets relate to amounts requested from the State of Louisiana, Department of Education for reimbursement to the providers of meals through the Family Day Care Home Program of the U. S. Department of Agriculture Food and Nutrition Services under 7 CFR Part 226. The amount due to providers requested but not yet received at year end has been accrued in the accompanying financial statements and is listed in the note above.

**NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose during the year as follows:

Purpose restriction accomplished:

|                           |                       |
|---------------------------|-----------------------|
| Program expansion efforts | \$ 8,912.13           |
| Meals provided            | <u>439,014.91</u>     |
| <br>Total                 | <br><u>447,927.04</u> |

**NOTE 7 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the program and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2010**

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**NOTE 8 – CONCENTRATIONS**

*Cash and Cash Equivalents.* Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2010, the Organization did not have bank balances in excess of FDIC insured limits.

*Receivables and Revenues.* All receivables recorded are due from the Louisiana Department of Education, Division of Nutrition Assistance. Approximately 99% of the Organization's support is paid by the Department of Education, State of Louisiana through the U.S. Department of Agriculture Food and Nutrition Services, Family Day Care Home Program, under 7 CFR Part 226.

**NOTE 9 – LITIGATION**

We are not aware of any pending or threatened litigation, claims or assessments that are required to be accrued or disclosed in this financial report.

**NOTE 10 – SUBSEQUENT EVENTS**

There were no subsequent events between the close of the fiscal year and the date of this report that would materially impact the accompanying financial statements.

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## **SUPPLEMENTAL INFORMATION**

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**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**ADMINISTRATIVE FUND**  
**YEAR ENDED SEPTEMBER 30, 2010**

| <u>Account Name</u>       | <u>Administrative Fund</u> |                   | <u>General Fund</u> |                   |
|---------------------------|----------------------------|-------------------|---------------------|-------------------|
|                           | <u>Program</u>             | <u>Supporting</u> | <u>Program</u>      | <u>Supporting</u> |
| Advertising               | \$ 650.00                  | \$ -              | \$ -                | \$ -              |
| Bank charges              | -                          | -                 | -                   | 31.00             |
| Insurance - workers' comp | -                          | 779.13            | -                   | -                 |
| Memberships               | -                          | 117.00            | -                   | -                 |
| Office/operating costs    | 2,944.53                   | 6,684.66          | -                   | 421.47            |
| Payroll taxes             | -                          | 6,432.36          | -                   | -                 |
| Professional fees         | -                          | 1,705.00          | -                   | 775.00            |
| Provider payments         | 439,014.91                 | -                 | -                   | -                 |
| Rent/occupancy            | -                          | 6,769.50          | -                   | -                 |
| Salaries                  | 3,237.60                   | 43,313.64         | -                   | -                 |
| Salaries - Director       | -                          | 40,768.08         | -                   | -                 |
| Telephone                 | -                          | 2,898.67          | -                   | -                 |
| Travel - use of autos     | 2,080.00                   | 4,734.60          | -                   | -                 |
| Total Expenses            | 447,927.04                 | 114,202.64        | -                   | 1,227.47          |

See Independent Auditors' Report

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED SEPTEMBER 30, 2010**

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| <u>Federal Grantor/Pass-Through<br/>Grantor/Program Title</u>                                       | <u>CFDA<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------|---------------------------------|
| U. S. Department of Agriculture<br>Food and Nutrition Services<br>Child and Adult Care Food Program | 10.558                 |                                 |
| <b>Family Day Care Home Program</b>   |                        |                                 |
| Pass-Through<br>State of Louisiana,<br>Department of Education                                      |                        |                                 |
| Program services:   |                        |                                 |
| Meals   |                        | \$ 442,048.49                   |
| Expansion   |                        | 8,912.13                        |
| Supporting services   |                        | <u>113,789.82</u>               |
| Total Federal Award Expenditures  |                        | <u><u>564,750.44</u></u>        |

**Notes to Schedules of Expenditures of Federal Awards  
Year Ended September 30, 2010**

**Basis of Presentation**

This schedule of expenditures of federal awards includes the federal grant activity of the Family Day Care Home Program and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

See Independent Auditors' Report

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of  
Louisiana Childcare Reimbursement Program, Inc.  
P. O. Box 669  
Livingston, Louisiana 70754

We have audited the financial statements of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. (a non-profit organization) as of and for the year ended September 30, 2010, and have issued our report thereon dated June 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2010.01.

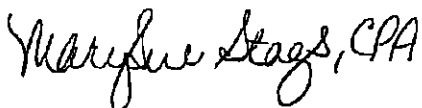
## Internal Control over Financial Reporting

In planning and performing our audit, we considered the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
June 28, 2011

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*Louisiana Society of Certified Public Accountants*  
*American Institute of Certified Public Accountants*  
*Association of Governmental Accountants*  
*Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Trustees of  
Louisiana Childcare Reimbursement Program, Inc.  
P. O. Box 669  
Livingston, Louisiana 70754

**Compliance**

We have audited the compliance of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2010. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements referred to above is the responsibility of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s management. Our responsibility is to express an opinion on the Family Day Care Home Program Louisiana Childcare Reimbursement Program, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program identified in the accompanying schedule of findings and questions costs occurred. An audit includes examining, on a test basis, evidence about the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s compliance with those requirements and performing such other procedures, as we

considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s compliance with those requirements.

In our opinion, the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended September 30, 2010.


#### **Internal Control Over Compliance**

Management of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit, we considered the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the Organization, Legislative Auditor and federal-awarding and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
June 28, 2011

**MARY SUE STAGES, CPA**  
**A PROFESSIONAL ACCOUNTING CORPORATION**

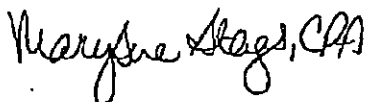
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**INDEPENDENT AUDITORS' REPORT**  
**ON CLAIMS FOR REIMBURSEMENT**

To the Board of Trustees of  
Louisiana Childcare Reimbursement Program, Inc.  
P. O. Box 669  
Livingston, Louisiana 70754

We have examined the accompanying claims for reimbursements (Audited Statements of Claims attached) submitted by the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. under the FDCH program. Our examination was made in accordance with auditing standards established by the American Institute of Certified Public Accountants and with generally accepted government auditing standards established by the Comptroller General of the United States and included tests of programs and accounting records prescribed by the USDA-OIG guide for audits of this program. In our opinion, the aforementioned claims present fairly the number of meals or supplements eligible for reimbursement for the period October 1, 2009 through September 30, 2010.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
June 28, 2011

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.**  
**AUDITED STATEMENT OF CLAIMS**  
**YEAR ENDED SEPTEMBER 30, 2010**

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**REIMBURSEMENTS PER AUDIT**

|                               |                   |
|-------------------------------|-------------------|
| Administrative                | \$ 113,918.00     |
| Program                       | <u>439,014.91</u> |
| Total Reimbursement Per Audit | 552,932.91        |

**REIMBURSEMENTS CLAIMED AND RECEIVED**

|  |                   |
|--|-------------------|
| Administrative                           | 113,918.00        |
| Program                                  | <u>439,014.91</u> |
| Total Reimbursement Claimed and Received | <u>552,932.91</u> |
| (Over) Under Claim                       | <u><u>-</u></u>   |

See Independent Auditors' Report



**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM  
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS  
YEAR ENDED SEPTEMBER 30, 2010**

|  | NUMBER SERVED BY MEAL TYPE |               |                    |               |              |            |
|--|----------------------------|---------------|--------------------|---------------|--------------|------------|
| <u>MEALS SERVED</u>                            | <u>Breakfast</u>           | <u>Lunch</u>  | <u>Supplements</u> | <u>Supper</u> | <u>Total</u> |            |
| <i>FROM OCTOBER 1, 2009 TO JUNE 30, 2010</i>   |                            |               |                    |               |              |            |
| Tier 1   | 44,773                     | 42,709        | 77,196             | 56,769        |              | 221,447    |
| Reimbursement rate                             | 1.19                       | 2.21          | 0.66               | 2.21          |              |            |
| Sub-total Tier 1                               | \$ 53,279.87               | \$ 94,386.89  | \$ 50,949.36       | \$ 125,459.49 | \$           | 324,075.61 |
| Tier 2   | 848                        | 547           | 1,419              | 421           |              | 3,235      |
| Reimbursement rate                             | 0.44                       | 1.33          | 0.18               | 1.33          |              |            |
| Sub-total Tier 2                               | \$ 373.12                  | \$ 727.51     | \$ 255.42          | \$ 559.93     | \$           | 1,915.98   |
| Total for period                               | \$ 53,652.99               | \$ 95,114.40  | \$ 51,204.78       | \$ 126,019.42 | \$           | 325,991.59 |
| <i>FROM JULY 1, 2010 TO SEPTEMBER 30, 2010</i> |                            |               |                    |               |              |            |
| Tier 1   | 13,352                     | 17,375        | 26,258             | 18,253        |              | 75,238     |
| Reimbursement rate                             | 1.19                       | 2.22          | 0.66               | 2.22          |              |            |
| Sub-total Tier 1                               | \$ 15,888.88               | \$ 38,572.50  | \$ 17,330.28       | \$ 40,521.66  | \$           | 112,313.32 |
| Tier 2   | 291                        | 193           | 501                | 174           |              | 1,159      |
| Reimbursement rate                             | 0.44                       | 1.34          | 0.18               | 1.34          |              |            |
| Sub-total Tier 2                               | \$ 128.04                  | \$ 258.62     | \$ 90.18           | \$ 233.16     | \$           | 710.00     |
| Total for period                               | \$ 16,016.92               | \$ 38,831.12  | \$ 17,420.46       | \$ 40,754.82  | \$           | 113,023.32 |
| TOTAL MEALS SERVED                             | 59,264                     | 60,824        | 105,374            | 75,617        |              | 301,079    |
| TOTAL REIMBURSEMENT                            | \$ 69,669.91               | \$ 133,945.52 | \$ 68,625.24       | \$ 166,774.24 | \$           | 439,014.91 |

See Independent Auditors' Report

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM  
SCHEDULE OF MEALS SERVED AND PROGRAM REIMBURSEMENTS  
YEAR ENDED SEPTEMBER 30, 2009**

|  | NUMBER SERVED BY MEAL TYPE |               |                    |               |               |  |
|--|----------------------------|---------------|--------------------|---------------|---------------|--|
| <u>MEALS SERVED</u>                            | <u>Breakfast</u>           | <u>Lunch</u>  | <u>Supplements</u> | <u>Supper</u> | <u>Total</u>  |  |
| <i>FROM OCTOBER 1, 2008 TO JUNE 30, 2009</i>   |                            |               |                    |               |               |  |
| Tier 1   | 41,212                     | 40,479        | 73,631             | 57,590        | 212,912       |  |
| Reimbursement rate                             | 1.17                       | 2.18          | 0.65               | 2.18          |               |  |
| Sub-total Tier 1                               | \$ 48,218.04               | \$ 88,244.22  | \$ 47,860.15       | \$ 125,546.20 | \$ 309,868.61 |  |
| Tier 2   | 1,013                      | 1,316         | 1,725              | 1,056         | 5,110         |  |
| Reimbursement rate                             | 0.43                       | 1.31          | 0.18               | 1.31          |               |  |
| Sub-total Tier 2                               | \$ 435.59                  | \$ 1,723.96   | \$ 310.50          | \$ 1,383.36   | \$ 3,853.41   |  |
| Total for period                               | \$ 48,653.63               | \$ 89,968.18  | \$ 48,170.65       | \$ 126,929.56 | \$ 313,722.02 |  |
| <i>FROM JULY 1, 2009 TO SEPTEMBER 30, 2009</i> |                            |               |                    |               |               |  |
| Tier 1   | 13,291                     | 17,940        | 26,898             | 20,593        | 78,722        |  |
| Reimbursement rate                             | 1.19                       | 2.21          | 0.66               | 2.21          |               |  |
| Sub-total Tier 1                               | \$ 15,816.29               | \$ 39,647.40  | \$ 17,752.68       | \$ 45,532.73  | \$ 118,749.10 |  |
| Tier 2   | 366                        | 276           | 568                | 192           | 1,402         |  |
| Reimbursement rate                             | 0.44                       | 1.33          | 0.18               | 1.33          |               |  |
| Sub-total Tier 2                               | \$ 161.04                  | \$ 367.08     | \$ 102.24          | \$ 255.36     | \$ 885.72     |  |
| Total for period                               | \$ 15,977.33               | \$ 40,014.48  | \$ 17,854.92       | \$ 45,788.09  | \$ 119,634.82 |  |
| TOTAL MEALS SERVED                             | 55,882                     | 60,011        | 102,822            | 79,431        | 298,146       |  |
| TOTAL REIMBURSEMENT                            | \$ 64,630.96               | \$ 129,982.66 | \$ 66,025.57       | \$ 172,717.65 | \$ 433,356.84 |  |

See Independent Auditors' Report

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
AUDITED STATEMENT OF MONETARY CLAIMS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2010**

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| <u>DETAIL<br/>NUMBER</u> | <u>DESCRIPTION OF EXCEPTION</u> | <u>AMOUNT</u> |
|--------------------------|---------------------------------|---------------|
|                          | None                            |               |

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2010**

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**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included: U.S. Department of Agriculture Food and Nutrition Services, Child and Adult Care Food Program (10.558).
8. The threshold for distinguishing Types A and B programs was \$500,000.
9. The Family Day Care Home Program of Louisiana Childcare Reimbursement Program, Inc. qualified as a low-risk auditee.

**FINANCIAL STATEMENTS AUDIT**

2010-01      Compliance with Audit Law

*Criteria.* Louisiana Revised Statute 24:513 requires that an audited financial statement be submitted to the Legislative Auditor within six months of the close of an entity's fiscal year. This equates to March 31<sup>st</sup> for the Organization. This deadline was not met for the year ended September 30, 2010.

*Condition.* Because the Organization has never reported to the Legislative Auditor but to the Louisiana Department of Education with a deadline of June 30<sup>th</sup>, there were no policies in place to report by March 31<sup>st</sup>.

*Impact.* The District is not in compliance with applicable laws.

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2010**

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*Recommendation.* We recommend that the books and records be provided no later than November 15<sup>th</sup> for completion to the Legislative Auditor by March 31<sup>st</sup>.

*Management's Response.* We will comply with this recommendation.

**MAJOR FEDERAL AWARDS PROGRAM AUDIT**

None

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED SEPTEMBER 30, 2010**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Financial Statement Findings**

N/A

**Section IV      Management Letter**

N/A

**LOUISIANA CHILDCARE REIMBURSEMENT PROGRAM, INC.  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED SEPTEMBER 30, 2010**

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**Section I      Internal Control and Compliance Material to the Financial Statements**

N/A

**Section II      Internal Control and Compliance Material to Federal Awards**

N/A

**Section III      Financial Statement Findings**

2010-01      Compliance with Audit Law

*Please refer to Management's Response in the schedule of findings and questioned costs.*